



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
APRIL 12, 2007

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## **MARCH REVENUES**

NASHVILLE - State revenue collections for March continue to reflect Tennessee's stable economic environment. Finance and Administration Commissioner Dave Goetz today reports that overall March revenues were \$904.9 million or \$69.2 million more than the state budgeted.

"While March revenues were strong, we're most anxious to see what franchise and excise taxes do in April," Goetz said. "We typically expect about 25% of total franchise and excise collections in April, but it is possible that some large corporations paid their tax liability early, as they did in December."

For the fiscal year, overall collections are above projections, driven mainly by corporate taxes, while sales tax collections for the fiscal year are under projections.

"It's important to note that by and large, the additional collections in Tennessee are not from an increased burden on individual taxpayers or even increased spending by individuals, but the additional revenues are coming mainly from large corporate taxpayers," Goetz said.

On an accrual basis, March is the eighth month in the 2006-2007 fiscal year.

The general fund was over collected by \$61.9 million and the four other funds were over collected by \$7.3 million.

Sales tax collections were \$6.2 million more than the estimate for March. The March growth rate was 5.68%. For eight months revenues are under collected by \$48.6 million. The year-to-date growth rate for eight months was 4.46%.

Franchise and excise taxes combined were \$44.2 million above the budgeted estimate of \$168.9 million. For eight months revenues are over collected by \$160.7 million.

Gasoline and motor fuel collections for March increased by 11.8%. For eight months revenues are over collected by \$12.9 million.

Year-to-date collections for eight months were \$185.0 million more than the budgeted estimate. The general fund was over collected by \$161.0 million and the four other funds were over collected by \$24.0 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the second session of the 104<sup>th</sup> General Assembly in May of 2006.

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|---|
| <p align="center"><b>Revenue Collections</b><br/> <b>March, 2007, And 8 Months Year-to-Date</b></p> |
|---|

**March Collections:**

|                    | <b>Budgeted<br/>Accrual<br/>Estimate</b> | <b>Actual</b>        | <b>Difference</b>   |
|--------------------|--|----------------------|---------------------|
| General Fund       | \$701,461,000                            | \$763,318,000        | \$61,857,000        |
| Highway Fund       | 50,230,000                               | 53,722,000           | 3,492,000           |
| Sinking Fund       | 25,462,000                               | 25,493,000           | 31,000              |
| City & County Fund | 56,020,000                               | 59,880,000           | 3,860,000           |
| Earmarked Fund     | 2,548,000                                | 2,513,000            | (35,000)            |
| <b>Total</b>       | <b>\$835,721,000</b>                     | <b>\$904,926,000</b> | <b>\$69,205,000</b> |

**Year-To-Date Collections:**

|                    | <b>Budgeted<br/>Accrual<br/>Estimate</b> | <b>Actual</b>          | <b>Difference</b>    |
|--------------------|--|------------------------|----------------------|
| General Fund       | \$5,496,239,000                          | \$5,657,226,000        | \$160,987,000        |
| Highway Fund       | 416,278,000                              | 429,759,000            | 13,481,000           |
| Sinking Fund       | 206,911,000                              | 206,528,000            | (383,000)            |
| City & County Fund | 477,468,000                              | 488,068,000            | 10,600,000           |
| Earmarked Fund     | 20,977,000                               | 21,244,000             | 267,000              |
| <b>Total</b>       | <b>\$6,617,873,000</b>                   | <b>\$6,802,825,000</b> | <b>\$184,952,000</b> |

**Table 1**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

| Class of Tax                  | March                |                      |                      |               |
|-------------------------------|----------------------|----------------------|----------------------|---------------|
|                               | 2006                 | 2007                 | Change               | Percent       |
| Franchise & Excise            | \$122,917,000        | \$213,063,000        | \$90,146,000         | 73.34%        |
| Income                        | 13,025,000           | 14,758,000           | 1,733,000            | 13.31%        |
| Inheritance & Estate          | 4,386,000            | 6,965,000            | 2,579,000            | 58.80%        |
| Gasoline                      | 41,670,000           | 45,721,000           | 4,051,000            | 9.72%         |
| Petroleum Special             | 4,590,000            | 5,001,000            | 411,000              | 8.95%         |
| Tobacco                       | 10,948,000           | 16,739,000           | 5,791,000            | 52.90%        |
| Beer                          | 1,334,000            | 1,401,000            | 67,000               | 5.02%         |
| Motor Vehicle Registration    | 25,456,000           | 25,924,000           | 468,000              | 1.84%         |
| Motor Vehicle Title           | 1,016,000            | 1,027,000            | 11,000               | 1.08%         |
| Mixed Drink                   | 3,984,000            | 4,203,000            | 219,000              | 5.50%         |
| Business                      | 2,726,000            | 2,653,000            | -73,000              | -2.68%        |
| Privilege                     | 18,464,000           | 20,364,000           | 1,900,000            | 10.29%        |
| Gross Receipts                | 16,000               | 18,000               | 2,000                | 12.50%        |
| TVA - In Lieu of Tax Payments | 18,345,000           | 21,114,000           | 2,769,000            | 15.09%        |
| Alcoholic Beverage            | 2,631,000            | 3,083,000            | 452,000              | 17.18%        |
| Sales and Use                 | 482,588,000          | 510,014,000          | 27,426,000           | 5.68%         |
| Motor Vehicle Fuel            | 10,222,000           | 12,399,000           | 2,177,000            | 21.30%        |
| Severance                     | 134,000              | 167,000              | 33,000               | 24.63%        |
| Coin-operated Amusement       | 0                    | 0                    | 0                    | NA            |
| Unauthorized Substance        | 127,000              | 312,000              | 185,000              | 145.67%       |
| <b>Total</b>                  | <b>\$764,579,000</b> | <b>\$904,926,000</b> | <b>\$140,347,000</b> | <b>18.36%</b> |

**Table 2**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

| Class of Tax                  | August - March         |                        |                      |              |
|-------------------------------|------------------------|------------------------|----------------------|--------------|
|                               | 2005-2006              | 2006-2007              | Change               | Percent      |
| Franchise & Excise            | \$734,703,000          | \$952,512,000          | \$217,809,000        | 29.65%       |
| Income                        | 30,443,000             | 35,091,000             | 4,648,000            | 15.27%       |
| Inheritance & Estate          | 48,604,000             | 63,168,000             | 14,564,000           | 29.96%       |
| Gasoline                      | 398,268,000            | 405,969,000            | 7,701,000            | 1.93%        |
| Petroleum Special             | 42,496,000             | 43,278,000             | 782,000              | 1.84%        |
| Tobacco                       | 84,211,000             | 86,563,000             | 2,352,000            | 2.79%        |
| Beer                          | 11,612,000             | 11,810,000             | 198,000              | 1.71%        |
| Motor Vehicle Registration    | 151,633,000            | 161,836,000            | 10,203,000           | 6.73%        |
| Motor Vehicle Title           | 7,206,000              | 7,304,000              | 98,000               | 1.36%        |
| Mixed Drink                   | 32,057,000             | 34,775,000             | 2,718,000            | 8.48%        |
| Business                      | 12,897,000             | 12,703,000             | -194,000             | -1.50%       |
| Privilege                     | 180,445,000            | 189,820,000            | 9,375,000            | 5.20%        |
| Gross Receipts                | 13,154,000             | 14,444,000             | 1,290,000            | 9.81%        |
| TVA - In Lieu of Tax Payments | 146,643,000            | 163,020,000            | 16,377,000           | 11.17%       |
| Alcoholic Beverage            | 25,750,000             | 27,118,000             | 1,368,000            | 5.31%        |
| Sales and Use                 | 4,280,348,000          | 4,471,406,000          | 191,058,000          | 4.46%        |
| Motor Vehicle Fuel            | 117,637,000            | 119,644,000            | 2,007,000            | 1.71%        |
| Severance                     | 1,213,000              | 1,033,000              | -180,000             | -14.84%      |
| Coin-operated Amusement       | 63,000                 | 88,000                 | 25,000               | 39.68%       |
| Unauthorized Substance        | 708,000                | 1,243,000              | 535,000              | 75.56%       |
| <b>Total</b>                  | <b>\$6,320,091,000</b> | <b>\$6,802,825,000</b> | <b>\$482,734,000</b> | <b>7.64%</b> |

**Table 3**  
**August - March Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

|                             | <b>General<br/>Fund</b> | <b>Other<br/>Funds</b> | <b>Total</b>          |
|-----------------------------|-------------------------|------------------------|-----------------------|
| Sales Tax                   | \$ (46,400,000)         | \$ (2,200,000)         | \$ (48,600,000)       |
| Income Tax                  | 2,300,000               | 1,200,000              | 3,500,000             |
| Inheritance Tax             | 18,200,000              | 0                      | 18,200,000            |
| Privilege Tax               | 9,800,000               | 300,000                | 10,100,000            |
| Business Tax                | 700,000                 | 0                      | 700,000               |
| TVA                         | 6,700,000               | 4,600,000              | 11,300,000            |
| Gross Receipts              | 700,000                 | 0                      | 700,000               |
| Gasoline & Motor Fuel Taxes | 300,000                 | 12,600,000             | 12,900,000            |
| Motor Vehicle Registration  | 500,000                 | 6,600,000              | 7,100,000             |
| Other Taxes                 | 7,500,000               | 900,000                | 8,400,000             |
| <b>Sub-Total</b>            | <b>\$ 300,000</b>       | <b>\$ 24,000,000</b>   | <b>\$ 24,300,000</b>  |
| F & E Taxes                 | 160,700,000             | 0                      | 160,700,000           |
| <b>Total</b>                | <b>\$ 161,000,000</b>   | <b>\$ 24,000,000</b>   | <b>\$ 185,000,000</b> |